

VZCZCXRO8907

PP RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN
RUEHLZ RUEHNP RUEHPOD RUEHROV RUEHSK RUEHSR RUEHVK RUEHYG
DE RUEHIT #0027 0161253
ZNR UUUUU ZZH
P 161253Z JAN 09
FM AMCONSUL ISTANBUL
TO RUEHC/SECSTATE WASHDC PRIORITY 8698
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEHEK/AMEMBASSY BISHKEK PRIORITY 0046
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS ISTANBUL 000027

SENSITIVE
SIPDIS

PARIS FOR FAA/TRICIA STACEY

E.O. 12958: N/A

TAGS: [FAIR](#) [ETRD](#) [TU](#)

SUBJECT: TURKISH AIRLINES CEO ON LANDING SLOTS, UPCOMING
AIRCRAFT PURCHASE

REF: 2008 ISTANBUL 522

Sensitive but Unclassified. Please Protect Accordingly.

11. (SBU) Summary. On January 12, Turkish Airlines (THY) CEO Temel Kotil called on the Consul General to seek assistance in resolving concerns posed by the FAA related to a THY wet lease of three Boeing 777 aircraft from JET Aviation of India. CG and Kotil discussed THY's planned purchase of up to 105 aircraft in light of the on-going world financial crisis, with the CG encouraging Kotil to give strong consideration to purchasing additional Boeing aircraft. CG also thanked Kotil for THY's on-going support for Iraqi refugee resettlement and recent assistance with a sizable backlog of diplomatic pouches destined for Embassy Bishkek. End Summary.

12. (SBU) During a January 13 call on the CG, Turkish Airlines (THY) CEO Temel Kotil raised the issue of THY's wet lease of three Boeing 777's from JET Aviation, an Indian company. According to Kotil, THY hopes to use the 777's to fly the premium Istanbul - New York route; however, their application for landing slots has not yet been approved by the FAA. He asked if Mission Turkey could weigh in with the FAA on THY's behalf. Noting that we were aware of the FAA's concerns, which appeared to be directed at the Indian aviation authorities not THY, the CG and Istanbul-based Principal Commercial Officer, who was also in the meeting, indicated anything THY could do to demonstrate that the new aircraft were truly under the control of THY, and that safety oversight was being exercised by the Turkish (vice Indian) civil aviation authorities might help their case. Specifically Turkish licensing of the pilots, certifying and registering the aircraft in Turkey, and making the case that the aircraft would be flown according to THY manuals and procedures with safety oversight by the Turkish civil aviation authorities might make a difference with the FAA. Kotil listened carefully to this argument, but indicated if THY had to wait until the wet lease contract period with JET expired in June, then THY would fly the 777's on the Bangkok route in the interim. THY would, however, prefer to fly the 777's on the New York route, which was more profitable, he noted.

13. (SBU) The CG asked about THY's business outlook in light of the on-going global credit crunch and economic downturn in the United States and Europe. Surprisingly, Kotil said THY was doing very well. He specifically indicated that the downturn had been great for business (by driving down fuel prices) and the company was growing rapidly. Kotil noted THY had grown by 21% in 2008 and growth had accelerated in the last quarter of 2008 despite the global financial crisis. According to Kotil, THY is in line to become Europe's 4th largest airline in 2009.

14. (SBU) Kotil told the CG that THY's planned purchase of aircraft are proceeding on schedule. The CG expressed our appreciation of THY's purchases of Boeing products in the past and encouraged Kotil to give favorable consideration to Boeings flexible, fuel-efficient aircraft. Note/Comment: On November 7, 2008 THY issued a Request for Proposals to Boeing for the purchase of up to 105 aircraft (25 wide bodies with an option for 10 and 50 narrow bodies with an option for 20.) THY's fleet currently numbers 120. The December 17, 2008 deadline for proposals was subsequently extended by 30 days. Deputy Prime Minister Nazim Ekren recently announced that France and Turkey will sign a protocol to co-produce mechanical and avionics systems for the Airbus A-350 (a long-haul, wide body jet.) This would likely put pressure on THY to buy Airbus at least for this category of aircraft. If realized, this reportedly could be the largest commercial aircraft deal world-wide in 2009, and would definitely be in the top three. End Note/Comment.

15. (SBU) The CG also thanked Kotil for THY's on-going assistance in transporting Iraqi refugees to the United States, noting that THY's support for Iraq refugee resettlement as well as the recent decision to begin regularly scheduled flights to Baghdad (reftel) are examples of the unique contributions Turkish businesses can make to ensuring peace, freedom and prosperity in Iraq. She also expressed our appreciation for THY's assistance in clearing a recent backlog of official diplomatic pouches destined for Embassy Bishkek. About 70 pouches were affected, and this was a significant morale issue for Embassy Bishkek. Wiener